

AMENDED IN SENATE JANUARY 4, 2012

AMENDED IN SENATE MARCH 23, 2011

SENATE BILL

No. 721

Introduced by Senator Lowenthal

February 18, 2011

An act to add Chapter 13 (commencing with Section 67050) to Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 721, as amended, Lowenthal. California ~~higher postsecondary education: educational and economic~~ *state* goals.

Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 segments of *public* postsecondary education in this state.

Existing law establishes a higher education accountability program under which the University of California, the California State University, and the California Community Colleges are required to prepare a list of reports on a regular basis and present those reports to the Legislature and to state agencies. ~~Under the program, the California Postsecondary Education Commission is required to submit annually a higher education report to the Legislature and the Governor that provides information on significant indicators of the performance of public colleges and universities.~~

~~This bill would require an undesignated state entity to establish an additional accountability framework for achieving prescribed educational and economic goals. The bill would require that the framework so established follow stated principles. The bill would require this framework to measure the collective performance of the state's system of higher education in successfully serving students by answering 6 statewide policy questions.~~

~~The bill would make various legislative findings and declarations.~~

This bill would state the intent of the Legislature that budget and policy decisions regarding postsecondary education generally adhere to 3 specified goals. The bill would also state the intent of the Legislature to identify and define appropriate metrics in order to monitor progress toward the achievement of those 3 goals and establish interim targets for those metrics to be achieved by 2025. The bill would require the Legislative Analyst's Office to convene a working group to develop those metrics, as specified. The bill would require the Legislative Analyst's Office, in consultation with the Department of Finance, to submit recommended metrics to specified persons and entities on or before January 1, 2013. The bill would state the intent of the Legislature to formally adopt statewide metrics based on those recommended metrics. Commencing September 30, 2013, the bill would require the Legislative Analyst's Office to annually release a statewide performance report, as specified, using each of the statewide metrics adopted by the Legislature. Commencing January 1, 2014, the bill would require the Legislative Analyst's Office to annually provide its own assessment of progress toward the achievement of those 3 goals, as specified, with recommendations for legislative action, as appropriate. The bill would also state additional legislative intent and make specified findings and declarations regarding state goals for postsecondary education.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 13 (commencing with Section 67050) is
- 2 added to Part 40 of Division 5 of Title 3 of the Education Code,
- 3 to read:

1 *CHAPTER 13. STATE GOALS FOR CALIFORNIA'S POSTSECONDARY*
2 *EDUCATION SYSTEM*

3
4 67050. *The Legislature finds and declares all of the following:*

5 (a) *Since the enactment of the Master Plan for Higher Education*
6 *in 1960, California's system of postsecondary education has*
7 *provided access and high-quality educational opportunities that*
8 *have fueled California's economic growth and promoted social*
9 *mobility.*

10 (b) *In today's global information economy, California's national*
11 *and international success as an educational and economic leader*
12 *will require strategic investments in, and improved management*
13 *of, state educational resources.*

14 (c) *Several factors, including changing demographics, rising*
15 *costs, increased competition for scarce state funding, and employer*
16 *concerns about graduates' skills, present new challenges to higher*
17 *education and state policymakers in effectively meeting the*
18 *postsecondary education needs of Californians.*

19 (d) *Although the public segments of higher education have each*
20 *undertaken efforts to improve reporting and transparency, these*
21 *efforts do not combine to indicate whether the postsecondary*
22 *system as a whole is on track to meet the state's needs.*

23 (e) *The absence of a common vision and goals for California's*
24 *postsecondary education system hinders the state's ability to*
25 *effectively make critical fiscal and policy decisions.*

26 (f) *Policy and educational leaders should collectively hold*
27 *themselves accountable for meeting the state's civic and workforce*
28 *needs, for ensuring the efficient and responsible management of*
29 *public resources, and for ensuring that California residents have*
30 *the opportunity to successfully pursue and achieve their*
31 *postsecondary educational goals.*

32 67051. *In order to promote the state's competitive economic*
33 *position and quality of civic life, it is necessary to increase the*
34 *level of educational attainment of California's adult population*
35 *to meet the state's civic and workforce needs. To achieve that*
36 *objective, it is the intent of the Legislature that budget and policy*
37 *decisions regarding postsecondary education generally adhere to*
38 *all of the following goals:*

39 (a) *Improve student success, which shall include, but not be*
40 *limited to, greater participation by demographic groups that have*

1 *historically participated at lower rates, greater completion rates*
2 *by all students, and improved outcomes for graduates.*

3 *(b) Better align the types of degrees and credentials awarded*
4 *with the state's workforce and civic needs.*

5 *(c) Increase efficiency so that desired postsecondary education*
6 *outcomes can be achieved with a given level of resources while*
7 *maintaining high quality.*

8 67052. *(a) The Legislature intends to identify and define*
9 *appropriate metrics in order to monitor progress toward the*
10 *achievement of the goals specified in Section 67051. The*
11 *Legislature further intends to establish interim targets for those*
12 *metrics to be achieved by 2025.*

13 *(b) (1) The metrics referenced in subdivision (a) shall be*
14 *developed with the assistance of a working group that shall be*
15 *convened by the Legislative Analyst's Office. The Legislative*
16 *Analyst's Office shall assemble the working group by selecting*
17 *participants as follows:*

18 *(A) One representative from each of the postsecondary education*
19 *segments, as defined in Section 67055.*

20 *(B) One representative of the Department of Finance.*

21 *(C) At least one member, but no more than three members, with*
22 *expertise in similar state accountability efforts, who is not a regular*
23 *employee of a postsecondary education segment.*

24 *(D) A representative of the Legislative Analyst's Office, who*
25 *shall serve as the chairperson of the working group.*

26 *(2) The Legislative Analyst's Office may request technical input*
27 *from any agency that maintains data that would be helpful in*
28 *developing the metrics and assessing progress toward achieving*
29 *the goals specified in Section 67051.*

30 *(3) The working group established pursuant to paragraph (1)*
31 *shall develop a set of at least six, and no more than 12, metrics*
32 *that can be derived from publicly available data sources for*
33 *purposes of periodically assessing the state's progress toward*
34 *meeting each of the goals specified in Section 67051. The metrics*
35 *shall be disaggregated and reported by gender, race or ethnicity,*
36 *income, age group, and full-time or part-time enrollment status,*
37 *where appropriate and applicable.*

38 *(4) The Legislative Analyst's Office, in consultation with the*
39 *Department of Finance, shall submit recommended metrics*
40 *developed pursuant to paragraph (1) to the appropriate policy*

1 committees of the Legislature, the Joint Legislative Budget
2 Committee, and the Governor on or before January 31, 2013.

3 (5) It is the intent of the Legislature to formally adopt statewide
4 metrics based on the recommendations submitted by the Legislative
5 Analyst's Office pursuant to paragraph (4) and to use these metrics
6 to monitor progress toward achieving the goals specified in Section
7 67051.

8 67053. It is the intent of the Legislature to promote progress
9 on the statewide educational and economic policy goals specified
10 in Section 67051 through budget and policy decisions regarding
11 higher education. Rather than envisioning a particular level of
12 postsecondary education funding necessary to achieve these goals,
13 it is the intent of the Legislature that the state level reporting system
14 established pursuant to Section 67054 ensure the effective and
15 efficient use of whatever funding is available to postsecondary
16 education.

17 67054. (a) Commencing September 30, 2013, the Legislative
18 Analyst's Office shall annually release a statewide performance
19 report using each of the metrics adopted by the Legislature
20 pursuant to paragraph (5) of subdivision (b) of Section 67052.
21 The report shall benchmark each of the metrics against the interim
22 target established pursuant to subdivision (a) of Section 67052
23 and against an appropriate contextual range of other states'
24 performance. This report shall be available publicly for use by the
25 segments of postsecondary education, the Governor, the
26 Department of Finance, the Legislature, and other stakeholder
27 groups to make their own assessments about the performance of
28 the postsecondary education system.

29 (b) Commencing January 1, 2014, the Legislative Analyst's
30 Office shall annually provide its own assessment of progress
31 toward the achievement of the goals specified in Section 67051,
32 with recommendations for legislative action, as appropriate. The
33 Legislative Analyst's Office's assessment and recommendations
34 shall be provided as part of the budget hearing process.
35 Specifically, the Legislative Analyst's Office's assessment shall
36 do all of the following:

37 (1) Assess the level of progress toward achieving the goals
38 specified in Section 67051 and outcomes achieved.

39 (2) Identify significant factors that may explain the level of
40 progress and outcomes specified in paragraph (1).

(3) *Identify postsecondary education policy and funding options suggested by the metrics developed pursuant to subdivision (b) of Section 67052 for consideration by the Governor and the Legislature.*

67055. *For the purposes of this chapter, "segments of postsecondary education" means the California Community Colleges, the California State University, the University of California, independent colleges and universities, and private postsecondary educational institutions, as defined in Section 94858.*

~~SECTION 1. Chapter 13 (commencing with Section 67050) is added to Part 40 of Division 5 of Title 3 of the Education Code, to read:~~

~~CHAPTER 13. EDUCATIONAL AND ECONOMIC GOALS FOR
CALIFORNIA HIGHER EDUCATION~~

~~67050. The Legislature finds and declares all of the following:~~

~~(a) Since the enactment of the Master Plan for Higher Education in 1960, California's system of postsecondary education has provided access and high-quality educational opportunities that have fueled California's economic growth.~~

~~(b) In today's global information economy, California's national and international success as an educational and economic leader will require strategic investments and improved management of state resources.~~

~~(c) Several factors, including changing demographics, rising costs, increased competition for scarce state funding, and employer concerns about graduates' skills, present new challenges to higher education and state policymakers in effectively meeting the postsecondary education needs of Californians.~~

~~(d) Although the public segments of higher education have each developed their own institution-specific accountability efforts, these efforts do not combine to tell us whether the state as a whole is on track to produce enough college educated individuals to meet workforce needs and to effectively compete in the global information economy, nor do they reflect statewide policy goals that cut across all higher education segments.~~

~~(e) Without the articulation of a shared common vision and goals, and in the absence of a statewide focus and context, the state has limited access to meaningful data and analyses to assess the~~

1 state's performance in key areas in order to make critical fiscal
2 and policy decisions.

3 (f) ~~As public demand to ensure the state is making proper~~
4 ~~investments in postsecondary education grows, policy and~~
5 ~~educational leaders must collectively hold themselves accountable~~
6 ~~for connecting the postsecondary academic and research enterprise~~
7 ~~to the state's economic and workforce development needs,~~
8 ~~increasing the state's productivity, and expanding postsecondary~~
9 ~~access for all citizens and regions of the state to produce the~~
10 ~~economic and educational outcomes that best serve the state's~~
11 ~~interest.~~

12 ~~67050.5 In order to achieve the educational and economic~~
13 ~~outcomes necessary to ensure the state's success, data-driven~~
14 ~~budget and policy decisions within higher education shall be guided~~
15 ~~by each of the following goals:~~

16 (a) ~~Increased educational attainment and successful transition~~
17 ~~across all education levels. In the best performing state in the~~
18 ~~nation, for every 100 pupils in grade 9, 91 graduate from high~~
19 ~~school, 57 directly enter college, and 27 graduate within 150~~
20 ~~percent of program time. However, in California, for every 100~~
21 ~~pupils in grade 9, 71 graduate from high school, 31 directly enter~~
22 ~~college, and 17 graduate within 150 percent of program time,~~
23 ~~placing California 27th in the nation. Goal: by 2020, California~~
24 ~~will have improved its educational pipeline numbers sufficiently~~
25 ~~so that it is among the top 10 states in the nation for the successful~~
26 ~~movement of students through this pipeline.~~

27 (b) ~~Meeting the state's economic development, workforce~~
28 ~~development, and civic capacity needs. Current projections by the~~
29 ~~National Center for Public Policy and Higher Education indicate~~
30 ~~that California residents will have the largest drop in projected per~~
31 ~~capita income in the nation over the next two decades, and will~~
32 ~~fall below the national average by 2012. Goal: by 2020, California~~
33 ~~will be at the average per capita income of the top 10 new economy~~
34 ~~states as determined using the State New Economy Index~~
35 ~~developed by the Progressive Policy Institute.~~

36 (c) ~~Closure of the achievement gap and increased learning at~~
37 ~~all levels. In 2005, California ranked 33rd among states in the~~
38 ~~percentage of persons between 18 and 24 years of age, inclusive,~~
39 ~~with a high school diploma, 31st in the percentage of persons~~
40 ~~between 25 and 64 years of age, inclusive, with an associate degree,~~

1 and 14th in the percentage of persons between 25 and 64 years of
2 age, inclusive, with a bachelor's or higher degree. Goal: by 2020,
3 California will be in the top 10 states nationally for the percentages
4 of its age groups with degrees and certificates conferred.

5 67051. The State of California shall establish an accountability
6 framework that provides the basis for a biennial assessment of the
7 collective contribution of the state's system of postsecondary
8 education toward meeting the clear and measurable educational
9 and economic goals established pursuant to Section 67050. The
10 accountability framework developed to monitor progress toward
11 these goals shall be guided by all of the following principles:

12 (a) A state-level accountability framework is designed to help
13 policymakers develop, maintain, and fund a postsecondary
14 education system that meets the state's goals, recognizes the
15 differentiated missions of each segment of postsecondary
16 education, and guides the segments toward maintaining effective
17 institutions consistent with state goals and institutional missions.

18 (b) Policymakers and governing boards are collectively
19 accountable for meeting public goals for higher education, in
20 accordance with all of the following:

21 (1) Monitoring progress toward meeting state goals is largely
22 the responsibility of state policymakers.

23 (2) Monitoring the performance of individual colleges and
24 universities is primarily the responsibility of institutional governing
25 boards.

26 (3) Institutional governing boards have ongoing responsibility
27 for monitoring the progress toward meeting statewide policy goals
28 of individual colleges and universities, for meeting segmental and
29 institutional missions and goals, for ensuring the quality of the
30 students' education, and for providing information to students and
31 parents regarding enrollment, retention, and student success.

32 (c) The state-level reporting system shall be designed to contain
33 only data that helps policymakers to assess progress toward
34 meeting state goals and to make appropriate policy and funding
35 decisions. Specific indicators may change as better data are
36 identified for assessing progress toward meeting state goals.

37 (d) In establishing an accountability framework for higher
38 education, it is the intent of the Legislature to build upon existing
39 higher education data, information systems, reports, and processes,
40 including, but not limited to, the reporting process established in

~~Section 84754.5, and improve upon these efforts to measure collective progress toward common vision and goals:~~

~~(e) Rather than envisioning a particular level of higher education funding to move toward the statewide educational and economic policy goals established pursuant to Section 67050, it is the intent of the Legislature that the framework established pursuant to this chapter help ensure the effective and efficient use of whatever funding is provided to higher education:~~

~~67051.5 The information gathered under the framework established pursuant to this chapter shall be utilized by the Governor and the Legislature to do all of the following through appropriate actions:~~

~~(a) Establish clear and measurable goals in various areas, including, but not limited to, enrollment, completion, time-to-degree, efficiency in facilities utilization, transfer, and access:~~

~~(b) Establish a timeline for phasing in the Legislature's and the Governor's expectations for the achievement of these goals.~~

~~(c) Develop policy and budget proposals that include appropriate funding mechanisms, where appropriate, for achieving these goals, including, but not limited to, incentive funding, differential funding, or the reallocation of existing resources, or all of these.~~

~~67052. The state shall utilize the accountability framework established pursuant to this chapter to measure progress toward its articulated educational and economic goals by collecting and reporting information that answers all of the following six statewide policy questions:~~

~~(a) Are enough Californians prepared for postsecondary education?~~

~~(b) Are enough Californians going to college?~~

~~(c) Is the state's postsecondary education system affordable to all Californians?~~

~~(d) Are enough Californians successfully completing certificates and degrees?~~

~~(e) Are college graduates prepared for life and work in California?~~

~~(f) Are California's people, communities, and economy benefiting?~~

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